

224068

**BALL JANIK LLP**  
ATTORNEYS

1455 F STREET, NW, SUITE 225  
WASHINGTON, D.C. 20005  
www.balljanik.com  
TELEPHONE: 202 638 3307  
FACSIMILE: 202 783 6947

KARL MORELL



November 26, 2008

**BY HAND DELIVERY**

The Honorable Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street S.W.  
Washington, DC 20423-0001

Re STB Finance Docket No. 35203, Alabama Warrior Railway, LLC –  
Operation Exemption – Sloss Industries Corporation and Jefferson  
Warrior Railroad Company, Inc.

Dear Acting Secretary Quinlan:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1150.31 and a check covering the \$1,800 filing fee. Also enclosed is a Disc containing the Notice and Summary.

Please time and date stamp the extra copy of the Notice of Exemption and return it with our messenger.

If you have any questions, please contact me.

Sincerely yours,

Karl Morell

**FILED**

NOV 26 2008

**SURFACE  
TRANSPORTATION BOARD**

ENTERED  
Office of Proceedings

NOV 26 2008

Part of  
Public Record

Enclosures

**FEE RECEIVED**

NOV 26 2008

**SURFACE  
TRANSPORTATION BOARD**

BEFORE THE  
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO 35203

ALABAMA WARRIOR RAILWAY, L L C  
-- OPERATION EXEMPTION--  
SLOSS INDUSTRIES CORPORATION AND JEFFERSON WARRIOR RAILROAD  
COMPANY, INC

VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1150.31. Et Seq.



**FILED**

NOV 26 2008

**SURFACE  
TRANSPORTATION BOARD**

**FEE RECEIVED**

NOV 26 2008

**SURFACE  
TRANSPORTATION BOARD**

**ENTERED**  
Office of Proceedings

**NOV 26 2008**

Part of  
Public Record

KARL MORELI  
Of Counsel  
BAIL JANIK LLP  
Suite 225  
1455 F Street, N.W.  
Washington, D C 20005  
(202) 638-3307

Attorney for  
ALABAMA WARRIOR RAILWAY,  
L L C

Dated November 26, 2008

BEFORE THE  
SURFACE TRANSPORTATION BOARD

---

STB FINANCE DOCKET NO 35203

---

ALABAMA WARRIOR RAILWAY, L.L.C  
-- OPERATION EXEMPTION--  
SLOSS INDUSTRIES CORPORATION AND JEFFERSON WARRIOR RAILROAD  
COMPANY, INC

---

VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

---

Alabama Warrior Railway, L.L.C ("AWR"), a non-carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart D--Exempt Transactions, to permit AWR to operate rail lines located in Birmingham, Alabama that are owned by Sloss Industries Corporation ("Sloss") and Jefferson Warrior Railroad Company, Inc ("JWR"),<sup>1</sup> and total approximately 24,575 miles in length. As part of this transaction, JWR will also assign to AWR operating rights over 1,532.1 feet of rail line owned by BNSF Railway Company ("BNSF").

In support of this Notice of Exemption, AWR submits the following information as required by 49 C.F.R. § 1150.33:

- (a) Full name and address of applicant

Alabama Warrior Railway, L.L.C  
315 W 3<sup>rd</sup> Street  
Pittsburg, Kansas 66762

---

<sup>1</sup> Sloss and JWR are affiliated companies.

**(b) Applicant's Representative**

Karl Morell  
Of Counsel  
BALL JANIK LLP  
Suite 225  
1455 F Street, N W.  
Washington, DC 20005  
(202) 638-3307

**(c) Statement of Agreement.**

AWR, Sloss and JWR are currently negotiating agreements which, among other things, will permit AWR to operate over the tracks owned by Sloss, JWR and BNSF in Birmingham, AL.

**(d) The operator of the property**

*AWR will be the operator of the lines*

**(e) Summary of proposed transaction:**

AWR is a new, wholly owned, non-carrier subsidiary of Watco Companies, Inc ("Watco"). AWR will over operate approximately 11.945 miles of Sloss-owned rail lines, 12.63 miles of JWR-owned rail lines, and 1,532 1 feet of BNSF-owned rail lines, all located in Birmingham, AL.

**Other transaction summary information**

**(1) The name and address of the companies owning the subject property.**

Sloss Industries Corporation  
3500 35<sup>th</sup> Avenue North  
Birmingham, Alabama 35207

Jefferson Warrior Railroad Company, Inc  
3500 35<sup>th</sup> Avenue North  
Birmingham, Alabama 35207

(2) The involved transaction is expected to be consummated on or shortly after the effective date of this Notice

(3) AWR will operate the rail lines owned by Sloss and JWR located between: (1) the entrance to the Sloss properties at 35<sup>th</sup> Avenue North and extending in a northeasterly direction through the Sloss properties to a point near Summit Street; and (2) the south leg of the wye located near the intersection of Erwin Dairy Road and 37<sup>th</sup> Street North and the Lchigh Yard located approximately 75-miles to the south of the wye<sup>2</sup> In addition JWR will assign to AWR its operating rights over the BNSF rail line located between BNSF STA 58 plus 50 90 and BNSF STA 73 plus 83 on the Dimmick City Main Track. All of the rail lines are located in Birmingham, AL

(4) The length of the Sloss and JWR lines being operated is approximately 24 575 miles The length of BNSF line is 1,532 1 feet

(f) A map of the rail lines being operated are attached as Exhibit A

(g) AWR hereby certifies that AWR's projected revenues as a result of this transaction will not result in AWR becoming a Class II or Class I rail carrier. AWR further certifies that the projected annual revenue of AWR will not exceed \$5 million as a result of this transaction. Accordingly, the requirements of 49 C.F.R. § 1150.32(e) do not apply to this transaction

(h) The Agreements between AWR, Sloss and JWR will not contain any provision that prohibits AWR from interchanging traffic with a third party

A caption summary, as required by 49 C.F.R. § 1150.34, is attached.

## **ENVIRONMENTAL AND HISTORIC IMPACTS**

AWR will continue to operate the rail lines. Further Board approval is required for AWR to discontinue any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

AWR's operation of the rail lines will not result in significant changes in carrier operations. There will not be a diversion of (1) more than 1,000 rail carloads a year to motor carriage, or (2) an average of 50 carloads per mile per year for any part of this line to motor carriage. This transaction will not result in (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the line; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. AWR's operation of the rail lines will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

---

<sup>2</sup> There are no mileposts associated with these rail lines.

This action will not significantly affect either the quality of the human environment or energy conservation

Respectfully submitted.

A handwritten signature in black ink, appearing to read "Karl Morell", written over a horizontal line.

KARL MORELL  
Of Counsel  
BALL JANIK L.L.P.  
Suite 225  
1455 F Street, N W  
Washington, DC 20005  
(202) 638-3307

Attorney for:  
ALABAMA WARRIOR RAILROAD, L.L.C

Dated: November 26, 2008

**SURFACE TRANSPORTATION BOARD**

**NOTICE OF EXEMPTION**

**STB FINANCE DOCKET NO. 35203**

**ALABAMA WARRIOR RAILWAY, L L C  
-- OPERATION EXEMPTION --  
SLOSS INDUSTRIES CORPORATION AND JEFFERSON WARRIOR RAILROAD  
COMPANY, INC.**

Alabama Warrior Railroad, L L C ("AWR"), a non-carrier, has filed a notice of exemption to operate approximately 24 575 miles of rail lines owned by Sloss Industries Corporation (Sloss) and Jefferson Warrior Railroad Company, Inc. (JWR), located between: (1) the entrance to the Sloss properties at 35<sup>th</sup> Avenue North and extending in a northeasterly direction through the Sloss properties to a point near Summit Street; and (2) the south leg of the wye located near the intersection of Erwin Dairy Road and 37<sup>th</sup> Street North and the Lehigh Yard located approximately 75-miles to the south of the wye, in Birmingham, AL.<sup>3</sup> In addition JWR will assign to AWR its operating rights over the BNSF rail line located between BNSF STA 58 plus 50 90 and BNSF STA 73 plus 83 on the Dimmick City Main Track, a distance of 1,532 1 feet, in Birmingham, AL.

This transaction is related to STB Docket No. 35204, Watco Companies, Inc. – Continuance In Control Exemption – Alabama Warrior Railway, LLC, wherein Watco Companies, Inc. has concurrently filed a verified notice to continue in control of AWR upon AWR becoming a Class III rail carrier.

---

<sup>3</sup> There are no mileposts associated with these rail lines



Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 1455 F Street, N W , Washington, DC 20005, (202) 638-3307 .

This notice is filed under 49 C F R 1150.31. If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U S C 10505(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

**VERIFICATION**

**STATE OF KANSAS**

)

)

ss

)

**COUNTY OF CRAWFORD**

I, Arthur E McKechnie, III, being duly sworn depose and state that I am Assistant Secretary of Alabama Warrior Railway, L.L C , that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief

  
Arthur E McKechnie, III

SUBSCRIBED AND SWORN TO before me this 25 day of November, 2008, in the County of Crawford, State of Kansas

My Commission Expires Feb 12 2009

  
Notary Public

# **EXHIBIT A**

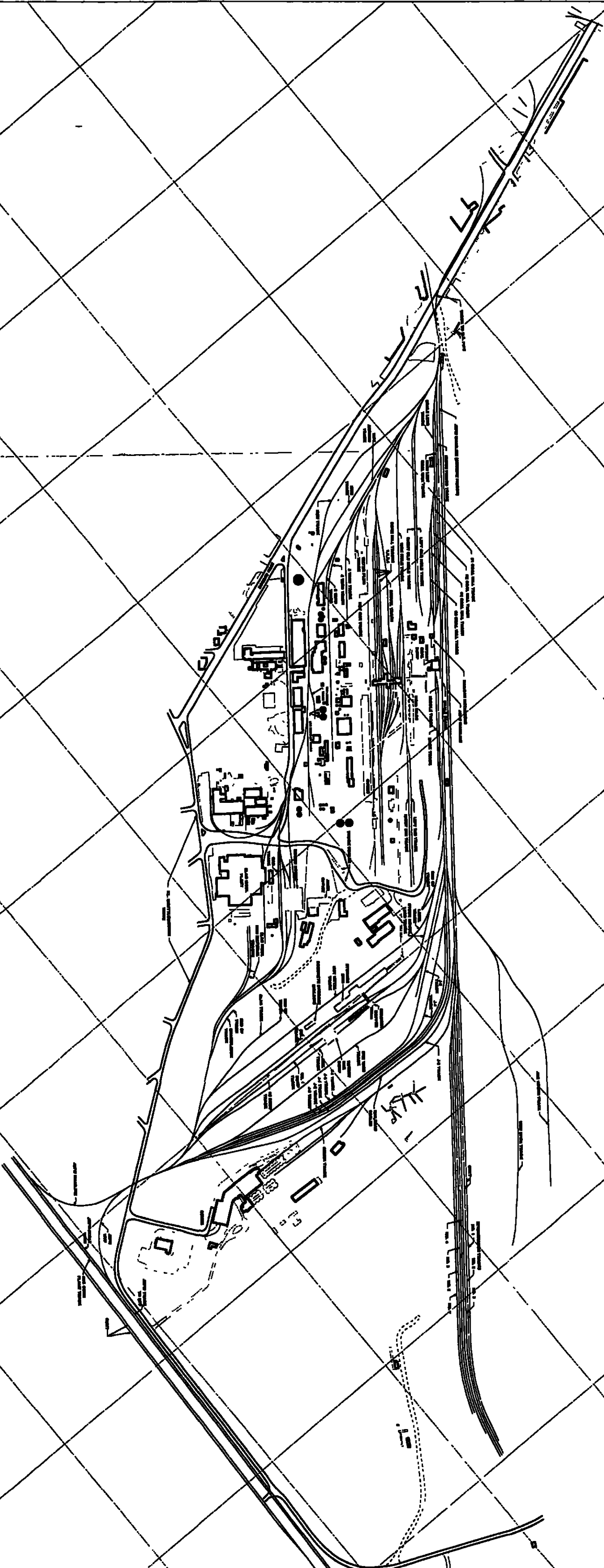
# Sloss Industries Corporation



0 500 1,000 2,000 Feet

Not intended for other than the use of the Sloss Industries Corporation. The present map is subject to the Sloss Industries Corporation's terms and conditions.

1:2,500



# Sloss Industries Corporation

optimaal  
Sloss Industries  
Map for the Sloss Industries Corporation

Legend

Sloss Rail Yard

Sloss Tracks

Sloss Tracks to Keep

CSXT Tracks

JWRR Tracks

JWRR Buildings

JWRR Structures

Buildings

Misc Structures

Paved Driveways

Paved Parking

Paved Road

Substation

Tanks

Unpaved Driveways

Unpaved Parking

Unpaved Road

Annotation and Leader Lines



Map compiled by Optimaal Corporation, Inc. using photographs and aerials. This information is not to be used for any other purpose than for the purpose for which it was prepared.